

STATEMENT BY GEORGE MEANY
PRESIDENT, AFL-CIO

BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

August 1, 1969

Mr. Chairman:

I wish to express my appreciation for this opportunity to appear before the Senate Foreign Relations Committee and to clarify the role of the AFL-CIO internationally. I also appear to describe the work of the American Institute for Free Labor Development in Latin America since its effectiveness was challenged at a hearing of this Committee on July 14, 1969 according to UPI press reports published throughout the United States and Latin America, which I quote:

CHAIRMAN J. WILLIAM FULBRIGHT OF THE SENATE FOREIGN RELATIONS COMMITTEE SUGGESTED TODAY THAT FUNDS FOR AN AFL-CIO LABOR INSTITUTE IN LATIN AMERICA HAD BEEN "THE PRICE WE PAID" FOR PRESIDENT GEORGE MEANY'S SUPPORT OF THE U. S. POLICY IN VIETNAM.

FULBRIGHT SAID HE HOPED THE NIXON ADMINISTRATION WOULD REVIEW THE PROGRAM, FOR WHICH U. S. GOVERNMENT AUDITORS COULD FIND "NO SPECIFIC CONCLUSIONS ON THE RELATIVE SUCCESS."

AID ADMINISTRATOR JOHN A. HANNAH SAID HE WOULD LOOK INTO IT.

FULBRIGHT SAID THE PROGRAM HAD INVOLVED CLOSE TO \$20 MILLION SINCE ITS INCEPTION. IT INCLUDED ALLIANCE FOR PROGRESS FUNDS, CHANNELLED INTO THE AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT WITH THE STATED PURPOSE OF STRENGTHENING THE DEMOCRATIC TRADE UNION LEADERSHIP IN LATIN AMERICA.

THE NEW AID BILL CONTAINS \$1 MILLION FOR THE INSTITUTE DURING THE COMING YEAR. IT IS ADMINISTERED BY THE AFL-CIO.

"I HAVE WONDERED IF THIS REPRESENTED THE PRICE WE PAID FOR MR MEANY'S SUPPORT IN VIETNAM," FULBRIGHT SAID. "HE WAS A STALWART SUPPORTER OF THE PREVIOUS ADMINISTRATION POLICIES, BUT I SHOULD NOT THINK THE NEW ADMINISTRATION WOULD FEEL INDEBTED TO HIM."

On that occasion, Secretary of State Rogers was asked a question by the Chairman concerning funds allocated to the AIFLD under its contract with the Agency for International Development. He said, "Is this the price we pay them to support us in Vietnam?" According to the transcript of the Committee hearing at that session, the Chairman also quoted from a letter dated May 20, 1968, addressed to him, signed by Mr. Elmer B. Staats, Comptroller General of the United States,

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which he read as follows:

"...We are not able during our review to reach any specific conclusion on the relative success of the institute as an instrument for achieving U. S. foreign policy objectives in the labor sector..."

Based upon this sentence from the Staats' letter and two newspaper articles which he subsequently inserted into the Record, the Chairman concluded that there is "considerable doubt about the effectiveness" of the AIFLD work in Latin America. Further, according to the transcript, the Chairman indicated that in a number of countries the AIFLD labor institutes have been closed down by the host country for meddling in internal politics.

It is interesting to note that Chairman Fulbright read only the opening sentence of a paragraph from the Staats' letter that attempted to evaluate the work of the Institute.

I would like to read into the Record the full evaluation, the complete paragraph of GAO Comptroller Staats' letter from which that sentence was taken:

"...We were not able during our review to reach any specific conclusion on the relative success of the institute as an instrument for achieving U. S. foreign policy objectives in the labor sector. We agree that (emphasis mine) the institute represents a realistic and imaginative approach to some of the major problems of the Western Hemisphere. For example, it provides a means whereby the workers of Latin America can participate in the Alliance for Progress and become more active in the economic and social progress of their countries..."

To us it is most incomprehensible that the Chairman of this Committee in effect took a sentence out of context from a paragraph in the GAO letter which was obviously intended to be quite complimentary of the AIFLD, giving it credit for having "a realistic and imaginative approach" and "providing a means whereby the workers can participate in the Alliance for Progress."

As to the statement that some in-country institutes had been closed down by the host countries, I wish to state very clearly and simply that this is not true. The AIFLD has never been closed down in any country anywhere. I state categorically that the AIFLD, which is now operating in more than 20 countries and territories in the Western Hemisphere, has been specifically invited by the workers in the trade union movement in each of these countries. We are proud of our long-standing fraternal relationships with these workers.

The AFL-CIO has always insisted on a deep sense of fiscal responsibility and we expect and welcome the continued scrutiny by the General Accounting Office and the Agency for International Development. This is as it should be especially because we are aware that we are using public funds under contract. Our policy has

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always been one of complete and total cooperation with both of these agencies of government. Moreover, I want to assure each and every member of this Committee that we welcome criticism. We are learning as we go on with our work in this comparatively new field. But we do not equate unfounded and carping accusations with constructive criticism.

We are thoroughly familiar with the report made by the GAO to this Committee in May, 1968, which was included in a Committee print of the Senate Foreign Relations Committee's Subcommittee on American Republics Affairs entitled, "Survey of the Alliance for Progress Labor Policies and Programs." We were assured by Senator Wayne Morse, the then Chairman of the Subcommittee, that this report, prepared by a Mr. Robert H. Dockery, was still only a staff report despite the fact that it appeared in Committee Print. We did note, of course, the disclaimer in the introduction to the report which stated that it did not express the official view of the Subcommittee. Nevertheless, it was released to the public, picked up by unfriendly news media throughout the world and made to appear as an attack by the Senate Subcommittee on the AIFLD.

In a letter of August 5, 1968, to Senator Morse, I stated that the AIFLD has submitted a memorandum concerning the GAO report, which you will find on page 80 of the Committee Print. I also pointed out that the Subcommittee report "contains quite a number of inaccuracies," that "the author made little attempt to make a balanced assessment" and further that "the document reflects preconceived and biased viewpoints without any foundation in fact."

In view of the unfounded assertions and conclusions of that report, we had requested that the Subcommittee on American Republics Affairs issue as a Committee Print my letter of August 5, 1968 to Senator Morse, which included the AIFLD analysis of the "Dockery Report" and also to include in such Committee Print the AIFLD response to an extensive Subcommittee questionnaire regarding AIFLD activities dated July 25, 1967. Since Communist and other extremist elements throughout the world continue to utilize this biased anti-labor report of the Subcommittee as part of their incessant propaganda against the efforts of our country to improve the lot of the working man under the Alliance for Progress, we reiterate this request. I am sure this Committee, in the interest of fairness will honor our request that our reply be issued as a Committee Print.

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We had an agreement with Senator Morse that, soon after the elections last November, a special meeting of the Subcommittee would be held, giving us the opportunity to set forth our viewpoints regarding the Dockery Report. However, the Subcommittee hearing was never held because the Senator became involved in a vote recount in Oregon and other matters. Nevertheless, the Senator was kind enough to include our answers in the Congressional Record.

At this point, I would like to submit our replies to the aforementioned Subcommittee questionnaire of July 25, 1967, my letter to Senator Morse of August 5, 1968, and the entire Dockery Report, including the GAO report, as a part of the Record of this hearing. In addition, I would also like to put into the Record the reply of Senator Morse to my letter of August 5, 1968 in which Senator Morse agreed to schedule a public hearing by the Subcommittee in which myself and other spokesmen of the AFL-CIO could present their views to the Subcommittee. This public hearing, promised by Senator Morse on this matter, has not been held to date.

It is a gratuitous insult to the American labor movement to accuse us of receiving a payoff for supporting the foreign policy of any administration. We are indeed proud of our support of the U. S. government during World War II, during the Korean War and during the war that is now taking place in Vietnam. Our official attitude regarding Vietnam was first made known in a resolution which was adopted by the then American Federation of Labor Executive Council as long ago as May, 1954. I ask that a copy of this resolution be placed in the Record. (Insert A). Then as now, our solution to the Vietnam situation called for a peaceful settlement through free elections. We further proposed to the Senate Foreign Relations Committee and the Administration in 1954 that the following measures, amongst others, be adopted: 1) that there should be a special session of the United Nations General Assembly mobilizing world support for ending the war in Indochina, safeguarding its national independence and territorial integrity and helping in its reconstruction; 2) that the special session of the U. N. General Assembly should insist on the full application of the principle of free elections in Indochina; and 3) that within the provisions of the U. N. Charter a regional defense organization should be established to build a Pacific Alliance for Peace and Freedom.

It is my opinion that the fundamental issues of national independence and territorial integrity are as valid today as in 1954.

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Our involvement with Latin America stems from 1916 when the American Federation of Labor joined with Latin American labor leaders to found the Pan American Federation of Labor. After World War II we expanded significantly our activities throughout the world, including Latin America where we helped to establish the first Inter-American Conference of Workers. In 1951, we also helped to establish the Inter-American Regional Organization of Workers which exists actively to this day, and is known as the ORIT.

In August 1960, when we came to a full realization as to what happened to the Cuban workers and the entire Cuban people under Castro, the AFL-CIO appropriated \$20 thousand for the purpose of studying the establishment of a mechanism through which we could help to strengthen the free labor unions of Latin America and develop trade union leadership. This led to the creation of the AFLD, during the Eisenhower Administration and long before the establishment of the Alliance for Progress.

We did not then and do not now want our Latin American trade union brothers to pattern their unions after our organizations in the United States.

We do expect and hope, however, that they will build unions which are strong, independent, representative of the workers and capable, through their own efforts, of improving the conditions of the workers, and making a contribution to the economic development of their own countries.

Throughout the years we had always wanted to see Latin American trade unionists and workers build a more effective labor movement. We hoped we could assist them to make significant contributions of their own to the economic and social development of their own countries.

Now, you might ask, "Why do we have this interest? Why would American unions have an interest in the situations in Latin America, in the workers of Latin America?"

The AFL-CIO has always had an interest in workers in every part of the world. That is fraternal solidarity, humanitarianism in the best sense of the world. We have a stake in the freedom of workers everywhere. We have learned from experience that when workers in other countries lose their freedom where they are forced to submit to the yoke of a dictatorship or tyrannical government of any kind, their repression and enslavement constitute a grave threat to our own freedom. And of course, we have learned from the history of recent years that the very first to lose their freedoms are the workers. For these reasons, AFL-CIO international activities

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have always been extensive so that in addition to the AIFLD in Latin America, we sponsor institutes conducting a broad range of similar assistance in Africa and Asia. I would like to emphasize, Mr. Chairman, that we are not looking for or trying to recruit members for the AFL-CIO in any country of any of these continents.

In view of our extensive international activities, on which we spend about 20% of our income, it was only natural when we looked at Latin America, our closest neighbors in the trade union field, we felt that we had a responsibility as workers to workers--yes, a great humanitarian responsibility--to be of help. We also felt, as American citizens, that it was certainly in the interest of our country that free governments be achieved and maintained in the Western Hemisphere. Now I'm not going to tell you that we have never made mistakes or performed miracles. Latin America still has its great problems. For example, there is still too much money being spent for unnecessary military hardware in many countries and too little being spent on the welfare of the people. But we are trying to make a contribution to help the working people of these lands play a constructive role in building democratic societies through free trade unions.

The AFL-CIO Executive Council decided unanimously that we should bring enlightened American business into this institution on the theory that they should also have an interest in developing a friendly attitude towards the building of free societies in Latin America. They naturally want to do business there, and they certainly want to do business with countries that have viable economies. We feel that you cannot have a viable economy unless you have the positive participation of all segments of the society, especially the workers who are the most important element of production and consumption. So we went to American business, and we told them why we thought they should cooperate. We got a most encouraging response.

The result is that we have some outstanding American businessmen contributing to the work of the AIFLD including Peter Grace, our chairman, President of the W. R. Grace Company; Mr. William Hickey, President of the United Corporation; Mr. H. W. Balgooyen, Director of EBASCO Industries; Mr. Berent Friele, Senior Vice President, American International Association for Economic and Social Development; Mr. Juan Trippe, founder and for many years head of Pan American Airways; Mr. Henry Woodbridge of the True Temper Corporation, among others. We have several outstanding businessmen sitting on the Board of Trustees, headed by our Chairman, J. Peter Grace. It should be noted that in going to these businessmen, we told them quite frankly what we wanted to do; namely, to help strengthen free trade unions in Latin America.

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At this point I would like to submit for the Record a list of the American corporations and individual businessmen who have contributed to the AIFLD. (Insert B)

The AFL-CIO feels that in our democratic society the voluntary organizations have a great role to play in influencing and molding the foreign relations of our country. This is our responsibility as citizens and trade unionists. While we welcome and appreciate the assistance AIFLD has received from our government through the A.I.D. in order to carry out our programs, we would also like to point out that contributions in excess of \$2,300,000 have been made to our work in Latin America from the AFL-CIO and the listed corporations. In addition, the AFL-CIO and U.S. private investors have themselves committed \$31 million for low-cost worker housing sponsored by AIFLD.

Now, let me get to the actual work of the AIFLD which falls into two categories. One is workers' education. The second is social projects whose objective is to improve workers' standards of living under the Alliance for Progress.

Let me first go into the educational phases of the Institute. Small groups of trade unionists from Latin American countries, carefully selected by unions in these countries and covering every country in Latin America except Cuba, Haiti and Paraguay, are brought to the United States for an eight to twelve week intensive training course. Our high level course in the U.S. is designed to train trade union teachers and technicians who can take their skills back to their respective countries to train other trade unionists. As a result, thousands of workers have benefitted from this training.

A typical advanced course begins with U.S. university professors teaching modern adult education--the psychology of training adults, how to use visual aids, classroom techniques and so forth. The students then move into specialized subjects, such as the history of the labor movement, collective bargaining, labor legislation and social security. Just about every subject of basic interest to a modern, dynamic labor movement is covered. The students also travel around the United States to get a look at our free economy at work, to learn how American workers live, and to understand better how our trade unions operate. The wages and expenses of these students are paid for by the AIFLD here in the United States.

Over 730 young men and women from all these Latin American countries have gone through our Front Royal, Virginia Institute where our 28th class is now in session. Those instructed through local training courses in over twenty countries and territories are well over 100 thousand.

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As an example of our continually expanding interest in assisting the Latin American labor movement to meet the challenges of today's complex society, three years ago we initiated a specialized course in labor economics. Each year, we sponsor two semesters of university level education in labor economics to young Latin American leaders. The program now in session is being conducted at Georgetown University. Following the graduation in October of this year, these young men will return as economic advisors to their own unions.

The Social Projects Department of AIFLD came into being soon after the Alliance for Progress program was announced by President Kennedy. There was a meeting at the White House, and we told the President that we endorsed his concept of emphasizing social development along with the traditional concepts of economic aid. It was evident to us that this could not be done if American aid monies were channeled solely on a government-to-government basis. We made it clear that we would not participate in a program that would result in the rich getting richer but with no real improvement in the living conditions of the great masses of workers in these countries. We made it clear to President Kennedy that we had a part to play and that some of the Alliance for Progress funds, instead of being spent through business institutions or banks or government, should be channeled through free trade unions for their projects to advance their living standards.

With this in mind, we established the Social Projects Department of AIFLD to give technical assistance to Latin American trade unions for the establishment of credit unions and cooperatives both in the rural and urban areas. Through these activities AIFLD is now the largest U.S. sponsor of workers' low-cost housing in Latin America. We have developed and implemented housing programs in twelve different countries.

Our first big housing projects was in Mexico City--the John F. Kennedy Housing Project which presently houses 20 thousand people who formerly lived in the slums of Mexico City.

This project was financed by the International Ladies' Garment Workers, the International Brotherhood of Electrical Workers and the Brotherhood of Locomotive Firemen and Enginemen, all unions affiliated to the AFL-CIO, by a \$10 million twenty-year 5½% loan. This project benefits workers who have never had any decent housing. It is owned by the workers and was sponsored by the Graphic Arts Union of Mexico City. As you well know, it is not exceptional to find interest rates for home mortgages

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in Latin America as high as 15 or 20%. At the time this loan was made in 1961, we were able to sponsor this program with a 5 $\frac{1}{2}$ % return on our investment. I want to emphasize that these monies were provided by American workers to the Mexican union. This was not U.S. government funding although we did receive a 100% guaranty on the investment from A.I.D.

Sometime ago, we broke ground for a housing project in Georgetown in Guyana, where there is to be built 658 low-cost workers' homes costing approximately \$2.2 million, 90% of which is being loaned by American unions. The project is sponsored by the Guyana Trade Union Council. Last month we disbursed the first \$2.8 million of a \$6 million loan for low-cost housing to the unions of Venezuela. This loan is being participated in by 15 different AFL-CIO affiliated unions. On these housing projects the AFLD provides all necessary technical assistance in planning and implementing the program.

There is a workers' housing bank known as ASINCOOP established with the assistance of AFLD in Lima, Peru. ASINCOOP is the fastest growing savings and loan association in Lima today with more than 11,000 depositors. Although it is only five years old, it has made housing loans of approximately \$5 million. This is something really new in Latin America, workers setting up something similar to our building and loan associations using their own money plus seed capital loans to lend out at reasonable interest rates for housing.

We have campesino programs going on in many areas of Latin America--educational programs, vocational training, and legal assistance as part of our wide range of programs designed to help the under-privileged rural workers. Some of these programs are carried out in campesino service centers which we have constructed in Colombia and in the Northeast of Brazil.

In addition to these activities, the AFL-CIO has established an Impact Projects Program to which it has contributed \$450 thousand since November 1964. The purpose of our Impact Projects Program is to assist Latin America trade unions in the development of small projects of a socio-economic nature at the community level. Our effort takes the form of interest-free, soft-currency loans or grants of up to \$5 thousand. Repayments of loans form part of a revolving fund for additional projects. To date, repayments have amounted to more than \$12 thousand. This is a real grass-roots program involving the self-help features which lead to the genuine participation of people in the solution of their immediate problems. For example, workers and their

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Families are involved in providing water, electricity, and sanitary facilities in remote areas and city slums. Trade unions have joined with their communities in building or refurbishing primary and secondary schools. Cooperatives of all kinds have been formed which meet the pressing needs of less privileged, low-paid and left-out workers. The AFL-CIO Executive Council intends to continue this meaningful worker-to-worker program.

All of this work is being done as part of our effort to help these unions play a more vital and positive role in the economic and social development of their countries. Our basic philosophy shared by our trade union brothers in Latin America is that there will be no real change until the great masses of working people have a greater purchasing power upon which a modern and expanding economy can be built.

In summary, I would like to remind the members of this Committee that our work in Latin America has been based upon the sincere feeling of fraternity and solidarity that exists between the workers of the U.S. and the workers to the South. We are there by invitation to carry on a program designed to help people develop a fuller and happier life without violating their culture and traditions. Frankly speaking, we vigorously oppose many of the military establishments that are now in power and we are saddened by the awful reality that the gap between the very rich and the very poor continues to grow. However, we think that we have taken the initiative in the area of strengthening free trade unions which will enable the Latin American workers to participate meaningfully in their own development.

I think we are on the right track, and I am proud of my part in it, and I resent any inference from any source that the government assistance given to us in carrying out this vital and important work is a payoff of any kind.

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INSERT A

STATEMENT BY THE EXECUTIVE COUNCIL
OF THE AMERICAN FEDERATION OF LABOR

Chicago, Illinois
May 19, 1954

Because some democratic powers have failed to recognize the real nature of the Chinese Communist dictatorship and its pivotal role in Moscow's drive for world domination, the International situation has deteriorated seriously in recent months. Furthermore, by discontinuing its immediate post-war policy of granting national independence and equal treatment to colonial peoples, the prestige and position of western democracy have been gravely weakened especially in Asia and Africa. Thus have the Communists been enabled to save their puppet regime in North Korea and to pervert the yearning of the people of Indo-China for national independence into a decisive phase of the Soviet campaign to conquer Southeast Asia and dominate the world.

Against this background of events, must we now view the indecision in Western diplomacy and Molotov's machinations and maneuvers at the Geneva Conference. Under these circumstances, the Executive Council of the AFL declares that the fate and freedom of Indo-China are now the concern and responsibility not only of the Vietnamese, not only of France or the United States, but of the entire free world, of liberty-loving people everywhere. Realizing the urgency of American initiative at this critical hour, we call upon our government to be unsparing in its efforts to rally the greatest support of the Vietnamese people and secure the broadest collective international action for assuring the full national independence of Indo-China and halting the tide of Communist conquest. Towards thus furthering the cause of world peace and freedom, we suggest action by our government along the following lines: -

(1) In view of the fact that, after the UN repelled Communist aggression in Korea, massive military support was rushed by the Moscow-Peiping Axis from the Korean front to their Vietminh puppets, there should immediately be convoked a Special Session of the UN General Assembly to mobilize maximum world support for ending the war in Indo-China, safeguarding its national independence and territorial integrity and helping its reconstruction.

(2) At this Special Session of the UN General Assembly, the US representatives should insist on full application of the principle of free elections in Indo-China -- just as firmly as our government has insisted on its genuine application in relation to Korea and Germany.

(3) Within the provisions of the UN Charter for regional defense organizations, our government should seek to build a Pacific Alliance for Peace and Freedom which would include all freedom-loving peoples willing to join it.

(4) America should likewise encourage and assist the free nations of Asia not yet ready to join the aforementioned alliance to develop their own effective resistance to Communist subversion of their democratic institutions and to organize united action to prevent Moscow-Peiping aggression against their national independence and territorial integrity.

(5) Towards implementing the complete national sovereignty of the Vietnamese and towards proving that democracy and not Communism can help them meet their needs, the US and its democratic allies should give

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Chicago, Illinois
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a practical demonstration of their sincere interest in the economic as well as political advancement of the people by transferring the foreign investment in Indo-China (about \$300,000,000) to the Vietnamese people as aid to the reconstruction of their war-ravaged land. Until such time as a democratically-elected national government has been established, this transferred interest should be held in trust and administered by an International Commission representing Pakistan, Thailand, Burma, India, and the Phillipines for the purpose of improving the working and living conditions of the people of Indo-China.

(6) Congress should grant President Eisenhower standby authority to take all measures he may require for helping to train a Vietnam National Army and build a Pacific Alliance for Peace and Freedom strong enough to hasten the end of the war in Indo-China, assure its national independence, and protect the free nations of Asia against further imperialist aggression and expansion by the Moscow-Peiping Axis. In this connection we emphasize that a strong united front of the democracies -- demonstrated in immediate positive steps for collective action -- would serve to improve the prospects of making the Soviet bloc less intransigent and thereby increase the likelihood of reasonable armistice terms. The policy of postponing until after the Geneva conclave, steps for attaining such collective action by the democracies only serves to encourage Soviet aggression and utterly unacceptable armistice terms in Indo-China. The great task of the peaceful and freedom-loving nations is, therefore, to mobilize military strength and insure the strongest resistance during the Geneva negotiations and not afterward when a reasonable negotiated settlement would no longer be possible because of allied weakness and disunity. We must not lose sight of the fact that, given the present disarray in the democratic camp, the Communists are taking while the conferees are talking history provides overwhelming proof that in dealing with totalitarian aggression -- whether it be Nazi or Communist -- democratic weakness and wavering breed war while democratic strength and united action blocks war. Fear of displacing the Communist warlords during the Geneva Conference can lead only to disastrous appeasement, that is, to aggravating still more gravely the danger of a world conflagration.

(7) Finally, we appeal to our government to impress strongly upon France and Britain the urgency of learning from the costly experience in Indo-China. Let our allies act now to break with their colonialist policies and practices -- especially in Egypt, Morocco, and Tunisia -- before the Communist agents of Soviet imperialism come into these crucial areas in full force to distort and destroy the national and democratic aspirations of these peoples. Once these peoples have gained their full national independence, equality and democracy, they will have something really worthwhile to fight for and become our loyal allies in preventing another world war, preserving peace, and promoting freedom and social and economic progress.

INSERT B

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT
CORPORATE, FOUNDATION, AND INDIVIDUAL CONTRIBUTORS
1962 - 1968

W. R. Grace & Company
Rockefeller Brothers Fund
International Telephone and Telegraph
Pan American World Airways
The United Corporation
David Rockefeller
Kennecott Copper Corporation
Standard Oil Co. of New Jersey
Koppers Company
Gillette
Shell Petroleum
Crown Zelleback
The Anaconda Company
ACFE (Venezuela)
King Ranch
Sterling Drug, Inc.
General Foods Corporation
Loeb Rhoades & Company
National Biscuit Company
Owens - Illinois Glass
Union Carbide Corporation
Ebasco Industries
Reader's Digest

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Monsanto

Southern Peru Copper Corporation

Merck

Pfizer International

Otis Elevator Company

Industrias Kaiser Argentina

American Cyanamid

First National City Bank

International Paper Company

Mobil Oil Company

Standard Fruit Company

American Telephone & Telegraph

Corn Products

Council for Latin America

Johnson & Johnson

St. Regis Paper Company

American Can Company

Brazilian Light & Power

First National Bank of Boston

United Fruit Company

Anglo-Lautaro Nitrate Corporation

IBM World Trade Corporation

International Basic Economy Corporation

Sinclair Oil

Max Ascoli Fund Inc.

International Mining Corporation

Carrier Corporation

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Coca-Cola Export Corporation
Container Corporation of America
Stauffer Chemical Company
American - Standard
International Packers
Olin
Standard Oil of California
Warner - Lambert
Corning Glass
Eli Lilly & Company
J. Henry Schroeder Banking Corporation
United Shoe Machinery
Celanese Corporation
Bacardi Corporation
Schering Foundation
Bankers Trust Company
Bristol Myers
Chase Manhattan Bank
Kimberly - Clark
Upjohn Company
Insurance Company of North America
3M Company
American International Oil Company
Combustion Engineering
Sheraton Corporation of America
Chemetron Corporation
Motion Picture Association of America
Deltec

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C

LIBRARY CLIPPING WITH FULBRIGHT

Accuses Senator of Inculc in Charging Aid 'Payoff'

By FELIX DELAIV Jr.
Special to The New York Times

WASHINGTON, Aug. 1—Senator J. W. Fulbright and George Meany exchanged verbal brickbats for nearly three hours today, but neither was hit and they parted with a handshake.

Mr. Meany, president of the American Federal of Labor and Congress of Industrial Organizations, accused Senator Fulbright, an Arkansas Democrat, of a "gratuitous insult to the American labor movement" in charging that \$33-million in contract payments to the labor organization was a "payoff" for its support of the Vietnam policies of the Kennedy-Johnson Administrations.

Senator Fulbright, who is chairman of the Senate Foreign Relations Committee, accused Mr. Meany of "rudeness" and suggested he was a "loud-mouth." As the Senator put it, "You can shout louder than I can, but please do me the courtesy of waiting until I've finished a sentence before breaking in."

Denies Johnson Role

Mr. Fulbright's remark about Mr. Meany's vocal powers came after the labor leader roared: "You once supported the Administration's Vietnam policies. Did you get a payoff for supporting the Tropic Gulf resolution? I don't think you did. But neither do I think you should suggest any payoff to us for promoting the free trade movement in Latin America, Africa or Asia."

"There is nothing at all to suggest that Lyndon Johnson ever said or suggested, 'Look, George, you hang by us on Vietnam and we'll pay for this boondoggle of yours in Latin America.'"

Senator Fulbright made his "payoff" charge at a July 14 meeting of the committee while Secretary of State William P. Rogers was testifying in support of the Administration's \$2.6-billion foreign aid request.

The payments were made by the Agency for International Development under contracts with the American Institute for Free Labor Development in Latin America, the African-American Labor Center and the Asian-American Free Labor Institute, all creatures of the A.F.L.-C.I.O. The Latin-American institute, the oldest of the three, received \$28-million of the \$33-million total.

Before the hearing was over Senator Fulbright conceded that "perhaps the term payoff was too strong and I'll withdraw it if it is — although I think it amounts to the same thing."

There certainly was a very close working relationship whereby you have been given a contribution of about \$5-million a year to do with as you please while you simultaneously supported Vietnam policies."

"That's ridiculous and complete nonsense," Mr. Meany replied. "A.I.D. has checked these payments every step of the way and there's hardly a week that their auditors haven't been in our offices."

Senator Fulbright quoted from what he said was a confidential report by the General Accounting Office complaining of a lack of control by the aid agency over disbursements made to the Latin-American institute. It said: "Under present arrangements A.I.F.L.D. has virtually a free hand to do anything it wants."

Mr. Meany shot back: "If A.I.D. is not doing a proper audit job, don't blame me for it. Or are you suggesting that A.I.D. is afraid to audit our programs because of some tremendous influence we have with the Administration? Anyway, I don't think the G.A.O. can substantiate its statement and I don't believe that A.I.D. would accept it."

Role of Government

The committee chairman eventually defined the basic question of the hearing as one of determining "whether it was proper for the United States Government to provide money to any private organization to go out and influence foreign governments and their parliaments."

"That's not true and you know it," Mr. Meany retorted, "and you can't document it."

"This money is used to carry out the foreign policy of the United States Government," he added. "We believe that free trade unions are a guarantee of a free society and that free societies are in the interest of the United States, especially in the Western Hemisphere."

"When the Communists want to take over a country they don't bother with the banks or big business and industry. They try to infiltrate and take over the free trade unions. That's the way they worked in Prague in 1948. It's the way they tried to work it in Italy and France."

"Without a Dime"

"We fought them then without a dime of help from this Government. And if the Government of the United States withdraws all of its assistance to us we'll still carry on the work in

Latin America and wherever we have programs."

Senator Fulbright sought to establish from newspaper articles that graduates of a trade union school conducted by the labor organization at Front Royal, Va., had participated in the overthrow of the regime of Joao Goulart in Brazil in 1964. The inference was that the school was teaching revolutionary activities.

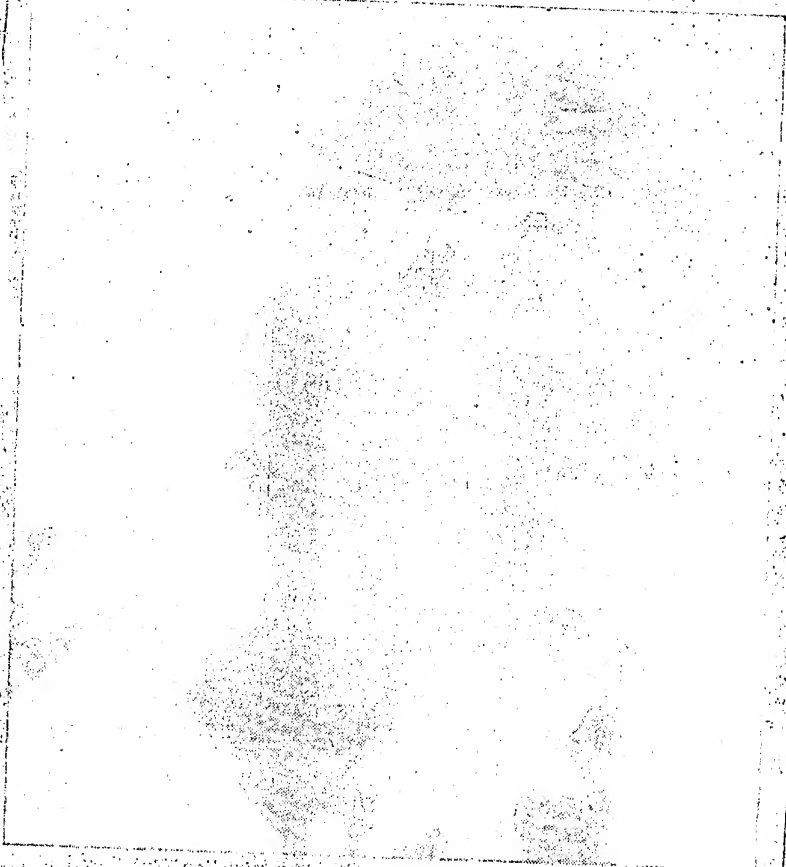
"We're interested only in building effective free trade unions in free societies," Mr. Meany replied. "If our graduates later find themselves living under repressive and dictatorial regimes and decide to do something about it, that's their business."

"And you might even say that it wouldn't make you too unhappy if they should help unseat such regimes," suggested Senator Clifford P. Case, Republican of New Jersey.

"No, it would not," was the labor leader's blunt reply.

Saturday, Aug. 2, 1960

THE WASHINGTON POST



George Meany, president of the AFL-CIO, before the Foreign Relations Committee. Meany defended labor's Latin aid program.

By Carl P. Leary

Sen. J. W. Fulbright

George Meany, unlike some

others, witnesses before

Senate Foreign Relations

Committee, the blunt Meany

spoke back.

The result was a raucous

3 1/2-hour session, punctuated

by considerable shouting, with the labor chief

and the Arkansas Democrat

accusing each other of

rudeness.

"I hope you don't treat all

your associates with the rudeness

you're treating me," Fulbright

told the former plumber, who has presided

over the nation's labor federation

for 15 years.

"I came here to deal with

rude remarks," Meany shot

back at the usually soft-spoken

committee chairman.

"Payoff" Charges

It all traced back several

weeks to a foreign-aid hearing

when Fulbright suggested that

government support for the

AFL-CIO's Institute for Free

Labor Development in Latin

America, "represented the

price we paid" for Meany's

staunch backing for U.S. poli-

cies in Vietnam.

Calling this a gratuitous

insult to the American labor

movement, Meany defended

the Institute's work in educa-

tional and social programs and

said, "I resent any interference

from any source that the

government assistance given

to us in carrying out this vital

and important work is a pay-

off of any kind."

Fulbright said twice he

doesn't think he used the word

payoff and finally said he

withdraw those words.

But he added he believed

there was a very cozy rela-

tionship between you and the

previous administration

which you were given a mil-

lion to do as you please in

Latin America.

"To do as we please"

Meany retorted scornfully, re-

sponding that the Institute's

program has been conducted

under very close governmen-

tal supervision.

Fulbright produced state-

ments of praise for Meany's

Vietnam support from a

senior administration official

and said the statements docu-

mented his case.

Sen. Gale McGary (D-Mo.),

one of the few supporters of

Vietnam policy on the commit-

tee, said, "There's nothing

here to suggest a payoff. It

the subject of which the

dispute program is conducted

How the bill into the American

market, Meany said.

"There is a basic differ-

ence," Meany said, "between

the AFL-CIO and the

United States under the

program attend private inter-

ests of their own choice,

rather than a government in-

stitution.

The committee will have to

decide later whether to ap-

prove inclusion in the foreign

bill some \$3.7 million for the

institute plus \$1.4 million for

the AFL-CIO's African-Ameri-

can Labor Center and \$350,000

for its Asian-American Free

Labor Institute.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: [REDACTED] C/CA 3D0004
 EXTENSION: 7255
 NO. DATE 4 August 1969

TO: (Officer designation, room number, and building)
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	Legislative Counsel				
2.	JMM			JMM	
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